

STATE OF CALIFORNIA  
ENVIRONMENTAL PROTECTION AGENCY  
DEPARTMENT OF TOXIC SUBSTANCES CONTROL

IN THE MATTER OF:	)	Docket No.: HWCA P1-03/04-011
	)	
IT Environmental	)	
Liquidating Trust	)	
2251 Lake Herman Road	)	
Benicia, CA 94510	)	CONSENT ORDER
Solano County	)	
IT Panoche CAD 000060012	)	
IT Vine Hill Complex	)	
CAD 982521460	)	
IT Montezuma CAD 079089512	)	
IT Benson Ridge CAD 000633289	)	
	)	Health and Safety Code
Respondent.	)	Section 25187
	)	

INTRODUCTION

1. The Department of Toxic Substances Control (DTSC) and the IT Environmental Liquidating Trust (Respondent) enter into this Corrective Action Consent Order (Consent Order) and agree as follows:

1.1. Jurisdiction exists pursuant to Health and Safety Code section 25187, which authorizes DTSC to issue an order to require corrective action when DTSC determines that there is or may be a release of hazardous waste or hazardous waste constituents into the environment from a hazardous waste facility.

1.2. The parties enter into this Consent Order to avoid the expense of litigation, to achieve compliance with financial assurance requirements, and to carry out promptly the corrective action described below. The Respondent waives any right to a hearing in this matter.

1.3. Respondent is the owner and/or operator of the IT Panoche Facility (Panoche Facility), Vine Hill Complex (VHC), Montezuma Hills Facility, and Benson Ridge Facility. Ownership of the Panoche Facility is by IT Lake Herman LLC and VHC by the Vine Hill LLC. Both of these LLCs are held in trust by the Respondent, and may be dissolved by Respondent. The Panoche Facility, the VHC, the Montezuma Hills Facility and the Benson Ridge Facility have postclosure permits.

1.4. The terms used in this Consent Order are as defined in California Code of Regulations, title 22, section 66260.10, except as otherwise provided.

1.5. Respondent agrees to implement all DTSC-approved workplans and to undertake all actions required by the terms and conditions of this Consent Order, including any portions of this Consent Order incorporated by reference.

1.6. Respondent waives any right to request a hearing on this Consent Order pursuant to Health and Safety Code section 25187.

1.7. Nothing in the Consent Order is intended as or shall constitute a new admission or concession on the part of IT Environmental Liquidating Trust of any liability or wrongdoing of any kind or a new admission or concession concerning the merits or lack of merits of DTSC's claims regarding environmental conditions at and around the subject sites including, but not limited to, the alleged conditions described in the Findings of Fact.

### FINDINGS OF FACT

#### Panoche Facility

2.1. The Panoche Facility is located on Lake Herman Road in an unincorporated portion of Solano County, two miles northeast of Benicia, California, about thirty miles northeast of San Francisco. The permitted Facility encompasses approximately 248 acres and operated as a treatment, storage, and disposal facility for hazardous liquid, sludge and soil wastes from 1968 until 1986. During its operation, the facility received 80,000 to 200,000 tons of waste per year, including caustic and acidic liquids and solids, petroleum refining sludges, catalysts, hydrogen sulfide abatement sludges, oily slurries, truck-washout debris, inorganic precipitates, contaminated soils, organic sludges, shredded currency, and paint pigment sludges. Waste management practices used at the Panoche Facility included biological treatment, neutralization, evaporation in ponds, and burial of waste in landfills and trenches.

2.2. By 1985, the facility comprised approximately 45 surface impoundments (ponds for liquid waste), four waste piles, one active landfill, one inactive landfill, and five inactive drum burial areas (DBAs). Between 1985 and 1991, all surface impoundment wastes were solidified, and ponds were removed from service or lined for long-term water management use. DTSC approved a final closure plan for the facility in March 1998. The closure was certified in 2003. A Postclosure permit was issued on June 20, 2003, and will expire on June 20, 2013. Required Postclosure activities include the monitoring, inspection, operation and maintenance of the closure and corrective action structures and groundwater monitoring.

2.3. In 1997, DTSC and the IT Corporation entered into a Corrective Action Consent Agreement (CACA), DTSC Docket No. 96/97-2005, to address the potential release of contamination from DBA V. In 1999, the parties amended the CACA to address additional work necessary to complete the investigation at DBA V. In 2001, the parties negotiated a second amendment to the CACA that was not executed at the time Respondent filed for bankruptcy (and still has not been executed).

2.4. The Panoche Facility is located near an unnamed drainage south of the facility that is a tributary to Suisun Marsh and Suisun Bay.

2.5. If unmitigated, releases from the Panoche Facility could potentially migrate from the Facility into the environment through the unnamed drainage, toward Suisun marsh and Suisun Bay.

#### Vine Hill Complex

2.6. The VHC is located in Contra Costa County, near the City of Martinez, California. The VHC is located in two connected, noncontiguous properties, separated by Pacheco Creek, which are referred to individually as the Vine Hill and Baker sites. IT Corporation and/or its affiliates have operated, the VHC since the mid-1950s.

2.7. The Vine Hill portion of the VHC occupies 41 acres. Beginning in approximately 1951, activities at the Vine Hill site included the processing and disposal of used oil, and the disposal of municipal solid waste. In the mid-1960s, the facility began to receive and treat chemical waste, including byproducts from the production of petroleum products, ferrous and nonferrous metals, electronics equipment and components, pharmaceuticals, resins, paints and pigments, and from food processing facilities, metal finishing, photo finishing and analytical laboratories. The Vine Hill site contained eleven surface impoundments that received waste liquids and sludges for evaporation, tanks for the processing and recycling of used oils, a treatment plant for treating various liquids prior to placing them in the surface impoundments, and an incineration system for incinerating vapors from the treatment plant and limited quantities of waste fuels.

2.8. The Baker portion of the VHC originally occupied 130 acres. Beginning in about 1971, the IT Corporation and/or its affiliates acquired the site and developed it primarily to use for evaporative volume reduction of liquids. The site consisted of eleven impoundment areas for the evaporation of waste liquids, often containing hazardous wastes. But following closure, the Baker portion is limited to a 30 acre waste consolidation landfill and support facility.

2.9. The VHC stopped receiving waste in 1987, and it ceased operations in 1989. In 1991, the treatment plant and oil reprocessing plant tanks were removed. DTSC approved the IT Corporation's final closure plan in 1995, and accepted certification for the closure in 1999. A Postclosure permit was issued on June 11, 2003, and will expire on June 10, 2013. Required Postclosure activities include the monitoring, inspection, operation and maintenance of the closure and corrective action structures and groundwater monitoring.

2.10. If unmitigated, releases from the VHC could potentially migrate from the facility into the environment through surface water or groundwater discharges into San Francisco Bay.

#### Montezuma Hills Facility

2.11. The Montezuma Hills Facility is located in a rural, unincorporated part of Solano County, near Fairfield, California. Respondent currently owns approximately 320 acres in the area, of which about 84 acres comprise the waste-management facility and associated support facilities.

2.12. The Respondent conducted commercial hazardous waste treatment and disposal operations at the Montezuma Hills Facility from 1979 to 1986. The facility received liquid, sludge and solid wastes primarily from gas and oil exploration and production activities, and from the petroleum refining industry. Twelve clay-lined waste management units, covering approximately 52 acres, were utilized for liquid evaporation and sludge consolidation.

2.13. DTSC approved a final closure plan for the facility in July 1990. The closure was certified in 1992. A Postclosure permit was issued on January 31, 1998, and will expire on January 31, 2008. Required Postclosure activities include the monitoring, inspection and maintenance of the closure structures and groundwater monitoring.

2.14. If unmitigated, releases from the Montezuma Hills Facility could potentially migrate from the facility into the environment through surface water or groundwater discharges into the Sacramento River.

#### Benson Ridge Facility

2.15. The Benson Ridge Facility is located in Lake County, near Kelseyville, California. It comprises approximately 137 acres, of which a parcel of approximately 25 acres was permitted for purposes of waste handling operations.

2.16. IT Corporation and/or its affiliates conducted commercial hazardous waste treatment and disposal operations at the facility from approximately 1979 to 1984. The facility received hazardous-waste containing liquids, sludge and soil, mainly from the geothermal industry located in the Geyser area of Lake County. It utilized three clay lined waste management units for liquid evaporation and sludge consolidation.

2.17. DTSC approved a final closure plan for the Benson Ridge Facility in June 1991. The closure was certified by DTSC in March 1993. Groundwater, surface water, and vadose zone monitoring systems, and leachate collection and removal systems, were installed at the time of closure. A Postclosure permit was issued on December 31, 1997, and will expire on December 31, 2007. Required Postclosure activities include the monitoring, inspection and maintenance of the closure structures and groundwater monitoring.

2.18. If unmitigated, releases from the Benson Ridge Facility could potentially migrate from the facility into the environment through surface water discharges into Kelsey Creek or groundwater discharges into the regional aquifer.

#### PROJECT COORDINATOR

3. Within 14 days of the effective date of this Consent Order, DTSC and Respondent shall each designate a Project Coordinator and shall notify each other in writing of the Project Coordinator selected. Each Project Coordinator shall be responsible for overseeing the implementation of this Consent Order and for designating a person to act in his/her absence. All communications between Respondent and DTSC, and all documents, report approvals, and other correspondence concerning the activities performed pursuant to this Consent Order shall be directed through the Project Coordinators. Each party may change its Project Coordinator with at least seven days prior written notice.

#### WORK TO BE PERFORMED

4. Respondent agrees to perform the work required by this Consent Order in accordance with the applicable state and federal laws, their implementing regulations, and the applicable DTSC and the United States Environmental Protection Agency guidance documents.

#### CALIFORNIA ENVIRONMENTAL QUALITY ACT

5. DTSC must comply with the California Environmental Quality Act (CEQA) insofar as activities required by this Consent Order are projects subject to CEQA. Respondent shall provide all information necessary to facilitate any CEQA analysis. DTSC will make an initial determination regarding the applicability of CEQA. If the activities are not exempt from CEQA, DTSC will conduct an Initial Study. Based on the results of the Initial Study, DTSC will determine if a Negative Declaration or an Environmental Impact Report (EIR) should be prepared. DTSC will prepare and process any such Negative Declaration. However, should DTSC determine that an EIR is necessary, such an EIR would be prepared under a separate agreement between DTSC and Respondent.

#### DTSC APPROVAL

6.1. Respondent shall revise any workplan, report, specification, or schedule in accordance with DTSC's written comments. Respondent shall submit to DTSC any revised documents by the due date specified by DTSC. Revised submittals are subject to DTSC's approval or disapproval. DTSC may extend a due date by written consent.

6.2. Upon receipt of DTSC's written approval, including approval by e-mail, Respondent shall commence work and implement any approved workplan in accordance with the schedule and provisions contained therein.

6.3. Any DTSC-approved workplan, report, specification, or schedule required under this Consent Order shall be deemed incorporated into this Consent Order.

6.4. Verbal advice, suggestions, or comments given by DTSC representatives will not constitute an official approval or decision, unless confirmed by DTSC in writing.

### SUBMITTALS

7.1. Commencing with submittal of the first quarterly report required by Task 3 of Attachment A, Respondent shall provide DTSC with progress summaries of corrective action activities conducted pursuant to this Consent Order. Reports will be due according to the schedule outlined in Task 3 of Attachment A. DTSC may adjust the frequency of progress reporting to be consistent with site-specific activities

7.2. Any report or other document submitted by Respondent pursuant to this Consent Order shall be signed and certified by the project coordinator, a responsible corporate officer, or a duly authorized representative.

7.3. The certification required by paragraph 7.2 above, shall be in the following form:

I certify that to the best of my knowledge the information contained in or accompanying this submittal is true, accurate, and complete. As to those portions of this submittal for which I cannot personally verify the accuracy, I certify that this submittal and all attachments were prepared at my direction in accordance with procedures designed to assure that qualified personnel properly gathered and evaluated the information submitted.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

7.4. Respondent shall provide two copies of all documents, including but not limited to, workplans, reports, and correspondence. Submittals specifically exempted from this copy requirement are all correspondence of less than 15 pages, of which one copy is required.

7.5. Unless otherwise specified, all reports, correspondence, approvals, disapprovals, notices, or other submissions relating to this Consent Order shall be in writing and shall be sent to the current Project Coordinators.

### PROPOSED CONTRACTOR/CONSULTANT

8. All work performed pursuant to this Consent Order shall be under the direction and supervision of a professional engineer or registered geologist, registered in California, with expertise in hazardous waste site cleanup. Respondent's contractor or consultant shall have the technical expertise sufficient to fulfill his or her responsibilities. Within 14 days of the effective date of this Consent Order, Respondent shall notify DTSC Project Coordinator in writing of the name, title, and qualifications of the professional engineer or registered geologist and of any contractors or consultants and their personnel to that Respondent plans to use in carrying out the terms of this Consent Order, unless said notifications have been previously been made pursuant to the CACA. Any future additions to the project registered geologist(s), professional engineer(s) and/or contractors or consulting team shall be made prior to their involvement on the project.

### ADDITIONAL WORK

9. DTSC may determine, or Respondent may propose, that certain tasks, including investigatory work, engineering evaluation, or procedure/methodology modifications, are necessary in addition to, or in lieu of, the tasks and deliverables included in any part of DTSC-approved workplans. DTSC shall request in writing that Respondent perform the additional work and shall specify the basis and reasons for DTSC's determination that the additional work is necessary. Within 14 days after the receipt of such determination, Respondent may confer with DTSC to discuss the additional work DTSC has requested. If required by DTSC, Respondent shall submit to DTSC a workplan for the additional work. Such workplan shall be submitted to DTSC within 30 days of receipt of DTSC's determination or according to an alternate extended schedule established by DTSC. Upon approval of a workplan, Respondent shall implement it in accordance with the provisions and schedule contained therein. The need for, and disputes concerning, additional work are subject to the dispute resolution procedures specified in this Consent Order.

### QUALITY ASSURANCE

10.1. All sampling and analyses performed by Respondent under this Consent Order shall follow applicable DTSC and U.S. EPA guidance for sampling and analysis. Workplans shall contain quality assurance/quality control and chain of custody procedures for all sampling, monitoring, and analytical activities. Any deviations from the approved workplans must be approved by DTSC prior to implementation, must be documented, including reasons for the deviations, and must be reported in the applicable report.

10.2. The names, addresses, and telephone numbers of the California State certified analytical laboratories Respondent proposes to use must be specified in the applicable reports.

### SAMPLING AND DATA/DOCUMENT AVAILABILITY

11.1. Respondent shall submit to DTSC upon request the results of all sampling and/or tests or other data generated by its employees, agents, consultants, or contractors pursuant to this Consent Order.

11.2. Respondent shall notify DTSC in writing at least seven days prior to beginning each separate phase of field work approved under any workplan required by this Consent Order. Respondent shall update DTSC of ongoing work in the Progress Reports described in Section 7.1 of this Consent Order. If Respondent believes it must commence emergency field activities without delay, Respondent may seek emergency telephone authorization from DTSC Project Coordinator or, if the Project Coordinator is unavailable, his/her Branch Chief, to commence such activities immediately.

11.3. At the request of DTSC, Respondent shall provide or allow DTSC or its authorized representative to take split or duplicate samples of all samples collected by Respondent pursuant to this Consent Order. Similarly, at the request of Respondent, DTSC shall allow Respondent or its authorized representative to take split or duplicate samples of all samples collected by DTSC under this Consent Order. DTSC and Respondent shall make sample results available to each other.

### ACCESS

12. Subject to each Facility's security and safety procedures, Respondent agrees to provide DTSC and its representatives access at all reasonable times to the Facilities and any off-site property to which access is required, and to which Respondent has possession or control, for implementation of this Consent Order and shall permit such persons to inspect and copy all non-privileged records, files, photographs, documents, including all sampling and monitoring data, that pertain to work undertaken pursuant to this Consent Order and that are within the possession or under the control of Respondent or its contractors or consultants. Nothing in this paragraph is intended to diminish DTSC's authority under the laws and regulations of the United States and California.

### RECORD PRESERVATION

13.1. Respondent shall retain, during the pendency of this Consent Order and for a minimum of six years after its termination, all non-privileged data, records, and documents that relate in any way to the performance of this Consent Order or to hazardous waste management and/or disposal at the Facilities. Respondent shall notify DTSC in writing 90 days prior to the destruction of any such records, and shall provide DTSC with the opportunity to take possession of any such non-privileged records. Such written notification shall reference the effective date, caption, and docket number of this Consent Order and shall be addressed to:



Chief, Land Disposal Branch  
Hazardous Waste Management Program  
Department of Toxic Substances Control  
8800 Cal Center Drive  
Sacramento, CA 95826

13.2. If Respondent retains or employs any agent, consultant, or contractor for the purpose of carrying out the terms of this Consent Order, Respondent will require any such agents, consultants, or contractors to provide Respondent a copy of all final documents produced pursuant to this Consent Order.

13.3. All documents pertaining to this Consent Order for the Benson Ridge, Montezuma Hills and Panoche Facilities shall be stored at the Panoche Facility. All postclosure operational documents for the Vine Hill Complex shall also be stored at the Panoche Facility, however historical waste management documents may be retained at the Vine Hill site.

13.4 Respondent must maintain records regarding waste disposal at the Facilities for the duration of this Consent Order.

#### DISPUTE RESOLUTION

14.1. The parties agree to use their best efforts to resolve all disputes informally. The parties agree that the procedures contained in this section are the sole administrative procedures for resolving disputes arising under this Consent Order. If Respondent fails to follow the procedures contained in this section, it shall have waived its right to further administrative consideration of the disputed issue.

14.2. If Respondent disagrees with any written decision by DTSC pursuant to this Consent Order, Respondent's Project Coordinator shall orally notify DTSC's Project Coordinator of the dispute. The Project Coordinators shall attempt to resolve the dispute informally.

14.3. If the Project Coordinators cannot resolve the dispute informally, Respondent may pursue the matter formally by placing its objection in writing. Respondent's written objection must be forwarded to Chief, Northern California Permitting and Corrective Action Branch, Hazardous Waste Management Program, Department of Toxic Substances Control, with a copy to DTSC's Project Coordinator. The written objection must be mailed to the Branch Chief within 14 days of Respondent's receipt of DTSC's written decision. Respondent's written objection must set forth the specific points of the dispute and the basis for Respondent's position.

14.4. DTSC and Respondent shall have 14 days from DTSC's receipt of Respondent's written objection to resolve the dispute through formal discussions. This period may be extended by DTSC for good cause. During such period, Respondent may meet or confer with DTSC to discuss the dispute.

14.5. Within 30 days after the conclusion of the formal discussion period, DTSC will provide Respondent with its written decision on the dispute: DTSC's written decision will reflect any agreements reached during the formal discussion period and be signed by the Branch Chief or his/her designee. In the event that DTSC's written decision remains counter to the objections of the Respondent, Respondent may appeal the written decision to the Permitting and Corrective Action Division Chief and/or Deputy Director of the Hazardous Waste Management Program. Such an appeal shall further suspend the time period outlined in Section 14.6, but for no more than an additional 15 days from the date of DTSC's written decision.

14.6. During the pendency of all dispute resolution procedures set forth above, the time periods for completion of work required under this Consent Order that are affected by such dispute shall be extended for a period of time not to exceed the actual time taken to resolve the dispute. The existence of a dispute shall not excuse, toll, or suspend any other compliance obligation or deadline required pursuant to this Consent Order.

#### RESERVATION OF RIGHTS

15.1. DTSC reserves all of its statutory and regulatory powers, authorities, rights, and remedies, which may pertain to Respondent's failure to comply with any of the requirements of this Consent Order. Respondent reserves all of its statutory and regulatory rights, defenses and remedies, as they may arise under this Consent Order. This Consent Order shall not be construed as a covenant not to sue, release, waiver, or limitation on any powers, authorities, rights, or remedies, civil or criminal, that DTSC or Respondent may have under any laws, regulations or common law.

15.2. DTSC reserves the right to disapprove of work performed by Respondent pursuant to this Consent Order and to request that Respondent perform additional tasks.

15.3. DTSC reserves the right to perform any portion of the work consented to herein or any additional site characterization, feasibility study, and/or remedial actions it deems necessary to protect human health and/or the environment. DTSC may exercise its authority under any applicable state or federal law or regulation to undertake response actions at any time. DTSC reserves its right to seek reimbursement from Respondent for costs incurred by the State of California with respect to such actions. DTSC will notify Respondent in writing as soon as practicable regarding the decision to perform any work described in this section, and it will provide Respondent with a written explanation for the decision.

15.4. If DTSC determines that activities in compliance or noncompliance with this Consent Order have caused or may cause a release of hazardous waste and/or hazardous waste constituents, or a threat to human health and/or the environment, or that Respondent is not capable of undertaking any of the work required, DTSC may order Respondent to stop further implementation of this Consent Order for such period of time as DTSC determines may be needed to abate any such release or threat and/or to undertake any action which DTSC

determines is necessary to abate such release or threat. The deadlines for any actions required of Respondent under this Consent Order affected by the order to stop work shall be extended to take into account DTSC's actions.

15.5. This Consent Order is not intended to be nor shall it be construed to be a permit. This Consent Order is not a substitute for, and does not preclude DTSC from requiring, any hazardous waste facility permit, post closure permit, closure plan or post closure plan. The parties acknowledge and agree that DTSC's approval of any workplan, plan, and/or specification does not constitute a warranty or representation that the workplans, plans, and/or specifications will achieve the required cleanup or performance standards. Compliance by Respondent with the terms of this Consent Order shall not relieve Respondent of its obligations to comply with the Health and Safety Code or any other applicable local, state, or federal law or regulation.

#### OTHER CLAIMS

16. Except as provided in this Consent Order, nothing in this Consent Order shall constitute or be construed as a release by DTSC or Respondent from any claim, cause of action, or demand in law or equity against any person, firm, partnership, or corporation for any liability it may have arising out of or relating in any way to the generation, storage, treatment, handling, transportation, release, or disposal of any hazardous constituents, hazardous substances, hazardous wastes, pollutants, or contaminants found at, taken to, or taken or migrating from the Facilities.

#### COMPLIANCE WITH WASTE DISCHARGE REQUIREMENTS

17. Respondent shall comply with all applicable waste discharge requirements issued by the State Water Resources Control Board or a California regional water quality control board.

#### OTHER APPLICABLE LAWS

18. All actions required by this Consent Order shall be conducted in accordance with the requirements of all local, state, and federal laws and regulations. Respondent shall obtain or cause its representatives to obtain all permits and approvals necessary under such laws and regulations.

#### CORRECTIVE ACTION

##### Work To Be Performed

19.1 Respondent agrees to perform the work required by this Consent Order in accordance with the schedule and requirements contained in the attached Scope of Work (Attachment A), and applicable state and federal laws, their implementing regulations, and the applicable DTSC and the U.S. EPA guidance documents.

### Additional Work

19.2 DTSC may determine, or Respondent may propose, that certain tasks, including investigatory work, engineering evaluation, or procedure/methodology modifications are necessary in addition to, or in lieu of, the tasks and deliverables included in any part of DTSC-approved workplans. DTSC shall request in writing that Respondent perform the additional work and shall specify the basis and reasons for DTSC's determination that the additional work is necessary. Within 14 days after the receipt of such determination, Respondent may confer with DTSC to discuss the additional work DTSC has requested. If required by DTSC, Respondent shall submit to DTSC a workplan for the additional work. Such workplan shall be submitted to DTSC within 30 days of receipt of DTSC's determination or according to an alternate schedule established by DTSC. Upon approval of a workplan, Respondent shall implement it in accordance with the provisions and schedule contained therein. The need for, and disputes concerning, additional work are subject to the dispute resolution procedures specified in this Consent Order.

### Reimbursement Of DTSC's Costs

19.3. Respondent shall pay DTSC's costs incurred in the implementation of corrective action as part of this Consent Order.

19.4. An estimate of DTSC's costs is attached as Attachment B showing the amount of \$25,326. It is understood by the parties that this amount is only a cost estimate for the activities shown on Attachment A and it may differ from the actual costs incurred by DTSC in overseeing these activities or in implementing this Consent Order. DTSC will provide additional cost estimates to Respondent as the work progresses under the Consent Order on at least an annual basis until the tasks outlined in Attachment A have been completed. DTSC agrees that published estimates will not be exceeded without prior notice to the Respondent.

19.5. DTSC will provide Respondent with a billing statement at least quarterly, which will include the name(s) of the employee(s), identification of the activities, the amount of time spent on each activity, and the hourly rate charged. If Respondent does not pay an invoice within 60 days of the date of the billing statement, the amount is subject to interest as provided by Health and Safety Code section 25360.1. DTSC agrees provide backup billing details prior to payment of bills.

19.6. DTSC will retain all costs records associated with the work performed under this Consent Order as required by state law. DTSC will make all documents that support the DTSC's cost determination available for inspection upon request, as provided by the Public Records Act within 10 days.

19.7. Any dispute concerning DTSC's costs incurred pursuant to this Consent Order is subject to the Dispute Resolution provision of this Consent Order and the dispute resolution

procedures as established pursuant to Health and Safety Code section 25269.2. DTSC reserves its right to recover unpaid costs under applicable state and federal laws.

19.8. All payments shall be made within the latter of 30 days of the date of the billing statement or 14 days of the receipt of the billing statement by Respondent by check payable to the Department of Toxic Substances Control and shall be sent to:

Accounting Unit  
Department of Toxic Substances Control  
P. O. Box 806  
Sacramento, California 95812-0806

All checks shall reference the name of the Facility, the Respondent's name and address, and the docket number of this Consent Order. Copies of all checks and letters transmitting such checks shall be sent simultaneously to DTSC's Project Coordinator.

#### FINANCIAL ASSURANCE

20.1 Postclosure cost estimates as determined by DTSC for the four facilities are included in Attachment C. DTSC alleges that the Respondent is in violation of Health and Safety Code section 25245, subdivision (a)(2), and California Code of Regulations, title 22, section 66264.143, in that the financial assurance presently existing for the facilities is inadequate to meet the revised postclosure cost estimates of Attachment C.

20.2 The Respondent has demonstrated to DTSC that it is not financially capable to increase the financial assurances to meet the full requirements of Paragraph 20.1, as of the effective date of this Consent Order.

20.3 This Consent Order shall constitute full settlement of the violations alleged in Paragraph 20.1, but does not limit DTSC from taking appropriate enforcement action concerning other violations or from taking action to enforce this agreement.

20.4 Respondent shall provide to DTSC a financial statement of its assets and liabilities annually every June 1. The statement shall include a detailed description of Respondent's continuing efforts to secure additional financial assurance mechanisms sufficient to comply with the requirements of Paragraph 20.1. Respondent shall demonstrate compliance with financial assurance requirements of Health and Safety Code section 25245, subdivision (a)(2), and California Code of Regulations, title 22, section 66264.143, no later than five years after the effective date of this Order. Respondent shall comply with all other provisions of California Code of Regulations, title 22, chapter 14, article 8 (§§ 66264.140 *et seq.*).

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20.5 Respondent shall provide DTSC with current postclosure cost estimates for the four Facilities annually every June 1, in compliance with the provisions of California Code of Regulations sections 66264.142. Upon approval by DTSC, the new estimates shall replace those in Attachment C.

### LANDFILL RECORDS

21.1 Within 60 days after this Consent Order takes effect, Respondent shall submit a report demonstrating to DTSC that it has taken reasonable steps to ensure that the IT Group, Inc. and its affiliates ("Debtors" in the IT Group, Inc. jointly administered bankruptcy, Bankr. Del. No. 02-10118) have caused the transfer of all Trust Assets and Landfill Books and Records of the Debtors in accordance with Article 7.10(II) of the approved Chapter 11 Plan.

21.2 Respondent shall retain in good condition disposal records for all four facilities that are in its possession or that it later receives. In addition Respondent shall assist in performing a Responsible Party search for all four facilities as reasonably requested by DTSC.

### MODIFICATION

22.1. This Consent Order may be modified by mutual agreement of the parties. Any agreed modification shall be in writing, shall be signed by both parties, shall have as its effective date the date on which it is signed by all the parties, and shall be deemed incorporated into this Consent Order.

22.2. Any requests for revision of an approved workplan requirement must be in writing. Such requests must be timely and provide justification for any proposed workplan revision. DTSC has no obligation to approve such requests, but if it does so, such approval will be in writing and signed by the Chief, Land Disposal Branch, Hazardous Waste Management Program, Department of Toxic Substances Control, or his or her designee. Any approved workplan revision shall be incorporated by reference into this Consent Order.

### TERMINATION AND SATISFACTION

23. The provisions of this Consent Order shall be deemed satisfied upon the execution by both parties of an Acknowledgment of Satisfaction (Acknowledgment). DTSC will prepare the Acknowledgment for Respondent's signature. The Acknowledgment will specify that Respondent has demonstrated to the satisfaction of DTSC that the terms of this Consent Order including payment of DTSC's costs have been satisfactorily completed. The Acknowledgment will affirm Respondent's continuing obligation to preserve all records after the rest of the Consent Order is satisfactorily completed.

24. This Consent Order supercedes and terminates the Consent Orders, Agreements, and Amendments that are listed in Attachment D hereto. To the extent that any provision of a

EFFECTIVE DATE

## SIGNATORIES

DATE: June 1, 2004 BY: //Original signed by//  
James M. Pappas, Chief  
 Northern California Permitting & Corrective Action Branch  
 Hazardous Waste Management Program  
 Department of Toxic Substances Control

## ATTACHMENT A: SCOPE OF WORK

### CONSENT ORDER (HWCA P1-03/04-011) IT ENVIRONMENTAL LIQUIDATING TRUST

#### CORRECTIVE ACTION AT THE PANOCHE FACILITY

##### SPECIFIC REQUIREMENTS

###### Task 1) Implementation of the Corrective Measures.

Construction of the SACS trench pumping systems, soil vapor extraction system, and the temporary air and water treatment systems as described in the August 2002 IT Source Area Containment System Investigation Results and DBA V Corrective Measures Implementation Plan has been completed and the systems were being tested as of May 3, 2004. DTSC acknowledges that actual field conditions and regulatory approval processes can affect the initial testing and continuous operations of these new systems. Respondent shall maintain and operate these systems continuously unless DTSC has approved the Respondent's proposals for operational flexibility. If required by DTSC, Respondent shall evaluate and propose supplemental measures where necessary to achieve continuous operation of the soil vapor and groundwater pump and treat systems. These systems shall be operated to meet the performance criteria described in the June 2001 Remedy Decision.

###### Task 2) Construction Completion Report.

This Report shall document how the completed project is consistent with the final plans and specifications including any refinements or additions to the operations and maintenance plans. The report must be received by DTSC within 90 days after completion of the initial treatment plant. A supplement to the Construction Completeness Report shall be submitted within 90 days from completion of the Final treatment system construction. This supplement will be limited to any additions or modifications to the initial treatment plant.

###### Task 3) Quarterly and Annual Corrective Measures Implementation Reports.

For the first year of full-scale operation, Respondent will submit Quarterly Reports containing data from the groundwater monitoring program, Enhanced Property Line Interception System, the SACS Trench and treatment system, and the SVE and treatment system. The quarterly and annual reports shall be received by DTSC within 60 days of each quarter or annual period. The data and analysis required in these reports will follow the requirements of the IT Panoche Postclosure Permit. DTSC may require that Respondent submit a second year of quarterly reports, particularly if the findings of these quarterly reports indicate that there is sufficient



uncertainty in the newly constructed systems. The Annual Corrective Action Implementation Report shall be submitted annually and include the data and analysis as described in the updated Sampling and Analysis Plan. Upon completion and approval of Task 4 (Year One Certification Report), future reporting for DBA V shall be combined in the Facility-wide annual Groundwater Reports as required by the IT Panoche postclosure permit.

In addition, the Quarterly and Annual reports shall include a progress report that shall include the following information: 1) A description of significant activities and work completed during the reporting period; 2) A summary of any findings made during the reporting period; 3) Summaries of all problems or potential problems encountered during the reporting period; 4) Actions taken and/or planned to rectify problems; 5) All projected work for the next reporting period; 6) A discussion of any changes in personnel that occurred during the reporting period; 7) Summaries of all contacts with representatives of the press, local community or public interest groups during the reporting period; 8) Summary of treatment system effectiveness, which shall include a comparison of treatment system operation to predicted performance levels.

#### Task 4) Year One Certification Report.

Respondent shall submit a Year One Certification Report which summarizes all data collected at DBA V and shall determine if the corrective action remedy is meeting the performance standards set in the June 2001 Remedy Decision document. The report shall be received by DTSC within one year and 60 days after full-scale operations commence.

### SCHEDULE

TASK	DESCRIPTION	DUE DATE
1	Implementation of Corrective Measures	Consistent with the schedule specified in Tasks 1 and 2.
2	Construction Completion Report	Within 90 days of completion of construction of the Task 1. Supplemental report within 90 days of completion of final treatment system upgrades.
3	Quarterly and Annual Corrective Action Implementation Reports	Quarterly/Annually, within 60 days of the end of each quarterly or annual period.
4	Year One Certification Report	1 year and 60 days following construction completion.

ATTACHMENT B: IT PANOCHE COST ESTIMATE

TASK	ACTIVITY	Staff		GSU		Legal		PPS		Management		Toxicologist		DTSC Total	
		Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
1	Implementation of Corrective Measures	20	\$ 2,660	16	\$ 2,128										\$ 4,788
2	Construction Completion Report	8	\$ 1,064	0	\$ -				-	0	\$ -			8	\$ 1,064
3	Quarterly and Annual Corrective Measures Implementation Report	20	\$ 2,660	20	\$ 2,660				-	4	\$ 588			44	\$ 5,908
4	Year one Certification Report	30	\$ 3,990	24	\$ 3,192				-	0	\$ -			54	\$ 7,182
			\$ -		\$ -				\$ -		\$ -			0	\$ -
	Meetings	20	\$ 2,660	16	\$ 2,128				\$ -	0	\$ -			36	\$ 4,788
	General Project Management	12	\$ 1,596		\$ -				-	0	\$ -			12	\$ 1,596
	Hourly rate		\$ 133		\$ 133		\$ 152		\$ 103		\$ 147		\$ 156		
	TOTALS	110	\$14,630	76	\$10,108	0	\$ -	0	\$ -	4	\$ 588		\$ -	154	\$ 25,326

ATTACHMENT C: IT FACILITIES POSTCLOSURE COST ESTIMATE

<b>30 YEAR ESTIMATE</b>				
	<b>PANOCHÉ</b>	<b>VINEHILL COMPLEX</b>	<b>MONTEZUMA HILLS</b>	<b>BENSON RIDGE</b>
Water Management System Operations	\$590,840			
Additional Water Management Capacity	\$854,285			
Initial Reporting Totals	\$1,083			
Annual Reporting	\$178,770	\$160,290	\$138,591	\$153,787
Vine Hill Oil Water Separator Maintenance		\$1,759,560		
Vine Hill Gas Collection System		\$219,520		
Misc. Maint. Reveg., Pumps, Staff, Supplies	\$3,721,945	\$1,573,760	\$521,000	\$187,500
Compliance/Inspections	\$421,102	\$537,300	\$64,380	\$55,825
Compliance	\$104,000	\$60,183	\$11,500	\$10,000
EMT Maintenance	\$233,100	\$46,800	\$27,550	\$18,850
Engineering/Water Balance	\$75,130	\$60,750	\$29,000	\$31,697
Panoche NPDES Discharge Monitoring	\$73,150			
Special Projects		\$84,018		
Panoche Treatment Plant	\$2,422,949			
CACA DBA-V West Remediation	\$1,222,113			
Panoche Air Emissions Treatment	\$1,191,950			
Fees/Utilities	\$2,095,695	\$914,075	\$613,492	\$433,315
Vehicle R&M & Fuel	\$303,090	\$323,820	\$46,966	\$47,285
Management, Office Support and Supplies	\$1,941,331	\$1,627,807	\$165,083	\$160,581
EMT Monitoring	\$4,209,431	\$1,866,316	\$1,047,750	\$407,838
Close Remaining Facilities	\$760,007	\$599,838	\$437,978	\$260,040
Contingency of 20%, 15%, 10%	\$4,079,994	\$1,475,106	\$310,329	\$176,672
<b>POSTCLOSURE SUBTOTALS</b>	<b>\$24,479,965</b>	<b>\$11,309,143</b>	<b>\$3,413,619</b>	<b>\$1,943,390</b>
<b>EQUIPMENT REPLACEMENT</b> (from original installation)				
20 year schedule				
electrical system	\$75,000	\$30,000	\$10,000	\$10,000
office space	\$30,000	\$5,000		
pipng for hypersaline h2o	\$20,000	\$30,000	\$10,000	\$5,000
30 year schedule				
evaporative ponds	\$650,000	\$350,000	\$150,000	\$150,000
tanks	\$100,000	\$20,000		
Equipment Subtotal	\$875,000	\$435,000	\$170,000	\$165,000
<b>IT CORPORATION SITES SUBTOTAL</b>				<b>\$42,791,117</b>
<b>COMBINED FACILITIES EXPENSES</b>				<b>30 Year Totals</b>
Liability/Corporate Insurance	\$340,000	per year		\$9,860,000
Trust Accounting/Administrative	\$30,000	per year		\$870,000
<b>FACILITIES EXPENSES SUBTOTAL</b>				<b>\$10,730,000</b>
<b>POSTCLOSURE TOTAL</b>				<b>\$53,521,117</b>
	\$28,037,465	\$14,426,643	\$6,266,119	\$4,790,890
				\$53,521,117

ATTACHMENT D:

PRIOR IT FACILITIES CONSENT ORDERS,  
AGREEMENTS, AND AMENDMENTS

ALL IT FACILITIES

- a. Consent Order No 509105 (June 27, 1989)
- b. Stipulation and Order Amending No 509105 (Sep. 10, 1999)
- c. Consent Agreement and Order No 299190 (March 31, 1987)
- d. Stipulation for Entry of Modifications to Consent Agreement and Order No 299190 (May 26, 1989)
- e. Order Specifying Schedule For Compliance or Correction, Docket No. HWCA 85/86-026 (June 6, 1986)

IT PANOCHE

Drum Burial Area V

- a. Corrective Action Consent Agreement, Docket No. HWCA 96/97 - 2005 (Sep. 4, 1996)
- b. Corrective Action Consent Agreement Addendum, Docket No. HWCA 96/97 - 2005A (May 22, 1997)
- c. First Amendment to Corrective Action Consent Agreement, Docket No. 96/97 - 2005 (Nov. 8, 1999)

Water Management

- d. Consent Agreement, Docket No. HWCA 94/95 - 046 (Apr. 28, 1995)
- e. Attachment A Modification Consent Agreement, Docket No. HWCA 94/95 - 046 (Dec. 30, 1996, exp. Nov. 30, 1997)

CAMU

- f. Consent Order, Docket No. HWCA P2-97/98-010 (Dec. 1, 1997)

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Area 5 Landfill

- g. Consent Order And Schedule for Compliance, Docket No. HWCA 85/86-027 (July 8, 1986)

General

- h. Enforcement Action Order, Docket No. HWCA 85/86-007 (Dec. 19, 1986)

**IT VINE HILL**

Corrective Action

- a. Corrective Action Consent Agreement, Docket No. HWCA 95/96 - 035 (Nov. 17, 1995)

Operation and Monitoring of the Landfill

- b. Consent Order Specifying Schedule for Compliance, Docket NO. HWCA 85/86-027 (June 6, 1985)
- c. Consent Order and Schedule for Compliance, Docket NO. HWCA 85/86-027 (Apr. 8, 1986)

